

## RETIREMENT SYSTEM CONTRIBUTIONS

### ALL UNITS

#### Section 1 – Eligibility

NO CHANGE

#### Section 2 – County Contributions

##### ALL UNITS – EXCEPT SUPERVISORY NURSES

For all eligible employees, the County will pick up a portion of the employees required contribution to the San Bernardino County Employees' Retirement Association in the amount of seven percent (7%) of the employee's earnable compensation as defined in the San Bernardino County Retirement Board bylaws.

The employee must choose to have the contributions designated as all employer or all employee contributions for retirement purposes. If the employee designates the pickup as employer contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of the actuarial value of that dollar to the Retirement Association as determined by the Board of Retirement; and the employee may not withdraw this contribution from the Retirement Association.

If the employee designates the pickup as employee contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of one dollar; and upon separation without retirement, an employee may withdraw this contribution from the Retirement Association. Upon retirement or separation, all contributions applied under this Section will be considered for tax purposes as employer-paid contributions.

If the employee does not file a designation, the contributions shall be made as employee contributions. Employees receiving Retirement System contributions under the Benefit Plan in effect prior to the effective date of this Article shall continue to have contributions under this Article applied (as employer or employee contributions for retirement purposes) in the same manner as previously applied for the employee until a revised designation is made by the employee.

Any dollars which are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

##### SUPERVISORY NURSES

For all eligible employees with a County hire date prior to June 12, 2007, the County will continue to pick up a portion of the employees required contribution to the San Bernardino County Employees' Retirement Association in the same amount as the employee was receiving prior to June 12, 2007, up to seven percent (7%) of the employee's earnable compensation as defined in the San Bernardino County Retirement Board bylaws. For all eligible employees with a County hire date after June 12, 2007, the County will pick up a portion of the employees' required contribution in accordance with the following schedule:

<b>0 Through 4,160 Service Hours (2 years of County Service) 2.5%</b>	<b>Over 4,160 Through 10,400 Service Hours (3 Through 4 Years of County Service) 5%</b>	<b>Over 10,400 Service Hours (5 Years of County Service) 7%</b>
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EXAMPLE 1 – A registered nurse currently employed with the County with a date of hire prior to June 12, 2007, and who is currently receiving a 7% contribution promotes to a position in the Supervisory Nurses Unit. The employee will continue to receive the same 7% County contribution.

EXAMPLE 2 – A registered nurse currently employed with the County with a date of hire prior to June 12, 2007, and who is currently receiving a 2.5% contribution promotes to a position in the Supervisory Nurses

Unit. The employee will continue to receive the same 2.5% County contribution will go to 5% at over 4,160 completed service hours to include the time spent as a registered nurse with the County.

EXAMPLE 3 – A registered nurse is hired from outside of the County and has a date of hire after June 12, 2007. The employee will receive a 2.5% County contribution.

The employee must choose to have the contributions designated as all employer or all employee contributions for retirement purposes. If the employee designates the pickup as employer contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of the actuarial value of that dollar to the Retirement Association as determined by the Board of Retirement; and the employee may not withdraw this contribution from the Retirement Association.

If the employee designates the pickup as employee contributions, then for each dollar applied, the employee's retirement obligation shall be satisfied in the amount of one dollar; and upon separation without retirement, an employee may withdraw this contribution from the Retirement Association. Upon retirement or separation, all contributions applied under this Section will be considered for tax purposes as employer-paid contributions.

If the employee does not file a designation, the contributions shall be made as employee contributions. Employees receiving Retirement System contributions under the Benefit Plan in effect prior to the effective date of this Article shall continue to have contributions under this Article applied (as employer or employee contributions for retirement purposes) in the same manner as previously applied for the employee until a revised designation is made by the employee.

Any dollars which are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash.

### **Section 3 – Remaining Employee Contributions**

Any employee Retirement System contribution obligations which are not paid by the application of Section 1 of this Article shall be "picked up" for tax purposes only pursuant to this Section. The Auditor/Controller-Recorder shall implement the pick up of such Retirement System contributions under Internal Revenue Code Section 414(H)(2) effective with the earnings paid and contributions made on and after the effective date of this Article.

The County shall make member contributions under this Section on behalf of the employee, which shall be in lieu of the employee's contributions and such contributions shall be treated as employer contributions for purposes of reporting and wage withholding under the Internal Revenue Code and the Revenue and Taxation Code. The amounts picked up under this Section shall be recouped through offsets against the salary of each employee for whom the County picks up member contributions. These offsets are akin to a reduction in salary and shall be made solely for purposes of income tax reporting and withholding. The member contributions picked up by the County under this Section shall be treated as compensation paid to County employees for all other purposes. County paid employer contributions to the County's Retirement System under this Section shall be paid from the same source of funds as used in paying the salaries of the affected employees. No employee shall have the option to receive the Retirement System contribution amounts directly instead of having them paid to the County Retirement System.

Upon retirement or separation, all contributions picked up under this Section will be considered for tax purposes as employer-paid contributions. Contributions under this Section shall be applied (as all employer or all employee contributions with the same value and restrictions) for Retirement System purposes in the same manner as the contributions under Section 1 of this Article.

### **Section 4 – Special Provisions**

Employees who have thirty (30) years of service credit and no longer make retirement contributions under the provisions of the County Employees' Retirement Law of 1937, shall be paid in cash seven percent (7%) of earnable compensation as defined by the bylaws of the Retirement Board.

The provisions of this Article shall be applied each pay period.

**Section 5 – Survivor Benefits for General Retirement Members Administered by San Bernardino County Employees' Retirement Association (SBCERA)**

Survivor benefits are payable to employed general retirement members with at least 18 months continuous retirement membership pursuant to Section 31855.12 of the County Employees Retirement Law of 1937. An equal, non-refundable employer and employee biweekly contribution will be paid to SBCERA as provided in annual actuarial study.